

**SUPPLEMENTARY AGREEMENT TO AMEND THE BASIC
AGREEMENT ON ASEAN INDUSTRIAL JOINT VENTURES (BAAIJV)**

WHEREAS, the Governments of the Republic of Indonesia, Malaysia, the Republic of the Philippines, the Republic of Singapore and the Kingdom of Thailand had on the seventh day of November 1983 signed the Basic Agreement on ASEAN Industrial Joint Ventures (BAAIJV); and

WHEREAS, under paragraph 3 of Article V of the Agreement, amendments may be made to the Agreement; and

WHEREAS, the parties desire to make certain amendments to the Agreement.

NOW THE PARTIES HAVE AGREED AS FOLLOWS:

(1) That the term "three year period" referred to in paragraphs 2 and 7 of Article III of the Agreement be amended to read as "four year period". The amended version of paragraphs 2 and 7 of Article III of the Agreement is to read as follows:

"The tariff preference described in Article III paragraph 1 shall apply, during the initial four year period, only to AIJVs in participating countries. The four year period shall commence from the actual date of commercial production of the AIJV product, or upon expiry of 30 months from the date the AEM approved the inclusion of that product in the final list, whichever is earlier.

The tariff preferences described in Article III paragraph 6 shall apply, during the initial four year period, only to AIJVs in participating countries. The four year period shall commence from the actual date of implementation of tariff preferences."

(2) That paragraphs 3 and 8 of Article III of the Agreement be amended to read as follows:

"Non-participating countries shall waive their rights under Chapter II, Article 8 paragraph 2 of the ASEAN PTA for the four year period. Non-participating countries need not extend a margin of preference to participating countries on AIJV products. Non-participating countries, which so desire and upon notification and concurrence of COIME, may become participating countries at any time and shall extend the same margin of tariff preference for that AIJV product.

Participating countries shall waive their right under Chapter II, Article 8 paragraph 2 of the ASEAN PTA for the four year period in respect of entities which are not AIJVs but produce the same products within their countries. After the four year waiver period for an AIJV product, any entity in any member country which produces that AIJV product, irrespective of whether It qualifies as an AIJV or not, shall enjoy the